

GOED Board Meeting Minutes

June 14, 2012 • 10:00 a.m.
60 E. South Temple, Third Floor

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| Members Present: | Mel Lavitt, Rob Adams, Sam Granato, Peter Mouskondis (phone), Mike Dowse (phone), Brent Brown (phone), Molonai Hola (phone), Cliff White |
| Staff: | Christopher M. Conabee, Zachary Derr, Eric Nay, Tamy Dayley, Thomas Wadsworth, Fred Lange, Riley Cutler, Gary Harter, John Bell, Sophia DiCaro |
| Visitors: | Bill Loos, Todd Brightwell, Marshall Moore (phone), Leigh von der Esch, Ricky Flores, Matias Alvarez, Greg Brough, Vance Checketts, Tom Sorenson, Jane Orlin, Dave Erickson, Brice Wallace, Nikos Linardakis, George Melissas |

Welcome

Mel Lavitt welcomed everyone to the June 44, 2012 Board meeting at the Governor's Office of Economic Development.

Approval of the May 10, 2012 and June 4, 2012 Minutes

MOTION: Cliff White moved to approve the minutes of May 10th and June 4th GOED Board Meeting minutes. Rob Adams seconded the motion. Motion was carried unanimously.

EDTIF – EMC Corporation

Project Highlights

- Timeline: Lease expansion by September 1, 2012; hiring would commence thereafter into 2021
- Target Industry: Information Technology/ Software Development
- Proposed Location: Salt Lake County
- Capital Investment: \$ 4 million

Jobs and Revenue

- 750
- EMC Corporation provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 12 years: \$ 475,109,938
- New State Revenue over 12 years: \$ 20,695,868
 - Withholding: \$ 17,816,623
 - Sales: \$ 1,090,400
 - Corporate: \$ 1,788,845

MOTION: Rob Adams moved to approve for EMC Corporation a \$5,173,967 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 12 years. Cliff White seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$5,173,967 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 12 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 100% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 12 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for the incentive

Vance Checketts thanked the Board on behalf of EMC Corporation and they look forward to doing future business with our State.

EDTIF – Rock West Composites

Project Highlights

- Timeline: 2012
- Target Industry: Composites
- Proposed Location: Salt Lake County
- Capital Investment: \$

Jobs and Revenue

- 93
- Rock West Composites provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 5 years: \$ 15,605,000
- New State Revenue over 5 years: \$ 875,711
 - Withholding: \$ 585,188
 - Sales: \$ 35,883
 - Corporate: \$ 254,640

MOTION: Mel Lavitt moved to approve for Rock West Composites a \$175,142 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 5 years. Peter Mouskondis seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$175,142 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 5 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 100% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 5 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive
- Only new state revenue and new jobs created after the GOED Board final approval date are eligible for the incentive

Tom Sorenson thanked the Board on the behalf of Rock West Corporation saying that they were very excited to be able to stay in Utah instead of moving to California.

Todd Brightwell also spoke on the importance of building this cluster and building a supply chain.

Marshall Moore presented a video that ran on KSL which viewed where the Motion Picture Incentives program is and also they went onto the set for “3 Days in Vegas” which was filming in West Valley City, Utah.

MPIF – “Dog’s Best Friend”

Project Highlights

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| • Category: | Feature (Independent) |
| • Genre: | Family |
| • Director | Gil Junger |
| • Producers: | Andrew Lazar |

Utah Jobs and Revenue

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|----------------------------------|-----------|
| • Estimated Cast: | 17 |
| • Estimated Cast Average Salary: | \$940/day |
| • Estimated Crew: | 100 |
| • Estimated Crew Average Salary: | \$225/day |

- Estimated Extras: 700
- Estimated Extras Average Salary: \$125/day
- Length of Film Production: 65 days
- Estimated Spend: \$2,205,829

Project Schedule

- Prep: June 18, 2012 – July 20, 2012
- Principal Photography: July 23, 2012 – August 22, 2012
- Wrap: August 23, 2012 – September 7, 2012

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) June 7, 2012.

MOTION: Rob Adams moved to approve for DBF Limited Partners a Motion Picture Incentive Program post-performance tax credit of no less than \$441,200 (which represents 20% of dollars left in state) and up to \$551,500 (which represents 25% of the dollars left in state) for the production of ‘Dog’s Best Friend’. Cliff White seconded the motion. The motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor’s Office of Economic Development Board of Directors approval
- DBF Limited Partners may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor’s Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$551,500 (25% of the dollars left in state).

Matias Alvarez is back for the second time; his first film that was incented was “Mistletones”. He gave a brief update on how far the film has come and also what “Dogs Best Friend” is about.

MPIF – “Granite Flats”

Project Highlights

- Category: Pilot/ TV Series
- Genre: Drama
- Director: n/a
- Producers: Jeff Miller

Utah Jobs and Revenue

- Estimated Cast: 25
- Estimated Cast Average Salary: \$842/day
- Estimated Crew: 65
- Estimated Crew Average Salary: \$350/day
- Estimated Extras: 300
- Estimated Extras Average Salary: \$110/day
- Length of Film Production: 10 days
- Estimated Spend: \$1,200,000

Project Schedule

- Prep: June 25, 2012 – July 20, 2012
- Principal Photography: July 23, 2012 – August 3, 2012
- Wrap: August 6, 2012 – August 31, 2012

Motion Picture Advisory Committee Recommendation

Approved by the Motion Picture Advisory Committee (MPAC) June 7, 2012.

MOTION: Mel Lavitt moved to approve for Vineyard Productions a Motion Picture Incentive Program post-performance cash rebate of no less than \$240,000 (which represents 20% of dollars left in state) and up to \$300,000 (which represents 25% of the dollars left in state) for the production of ‘Granite Flats’. Cliff White seconded the motion. The motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing
- Must meet \$1,000,000 minimum dollars left in state to be eligible for the incentive
- Dollars left in state start date no earlier than 30 days prior to the Governor's Office of Economic Development Board of Directors approval
- Vineyard Productions may be eligible for an additional 5% incentive upon verification of meeting the criteria as adopted by the GOED Board and administered by the Governor's Office of Economic Development and the Utah Film Commission. Total incentive with this condition, if all terms are met to the satisfaction of the Utah Film Commission, shall not exceed \$300,000 (25% of the dollars left in state).

Jeff Miller, the Producer who is also on the MPIP Advisory Board abstained from the vote. He did want to relay a message about why they chose the location.

MPIF – "Austentatious"

Project Highlights

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| • Category: | TV Series |
| • Genre: | Drama/Comedy |
| • Director: | Brian Brough |
| • Producers: | Brian A. Brough, Anthony Straga, Brittany Wiscombe |

Utah Jobs and Revenue

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|------------------------------------|-----------|
| • Estimated Cast: | 18 |
| • Estimated Cast Average Salary: | \$281/day |
| • Estimated Crew: | 35 |
| • Estimated Crew Average Salary: | \$362/day |
| • Estimated Extras: | 0 |
| • Estimated Extras Average Salary: | \$/day |
| • Length of Film Production: | 40 days |
| • Estimated Spend: | \$648,045 |

Project Schedule

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|--------------------------|---------------------------------|
| • Prep: | May 15, 2012 – October 23, 2012 |
| • Principal Photography: | June 5, 2012 – October 31, 2012 |
| • Wrap: | June 8, 2012 – January 31, 2013 |

Motion Picture Advisory Committee Recommendation
Approved by the Utah Film Commission June 5, 2012.

MOTION: Cliff White moved to approve for Silver Peak Productions, LLC a \$97,300 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of 'Austentatious'. Mike Dowse seconded the motion. The motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

Greg Bough spoke briefly on what the film is about and also spoke on previously filmed shows that he has worked on which are now showing or will be showing on Lifetime in the near future.

MPIF – "Shadow Cabal/ Lone Wolf & Little Dragon"

Project Highlights

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| • Category: | Feature (Independent) |
| • Genre: | Fantasy |
| • Director: | John Lyde |
| • Producers: | John Lyde, Jason Faller, Kynan Griffin |

Utah Jobs and Revenue

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|------------------------------------|-----------|
| • Estimated Cast: | 29 |
| • Estimated Cast Average Salary: | \$248/day |
| • Estimated Crew: | 23 |
| • Estimated Crew Average Salary: | \$297/day |
| • Estimated Extras: | 72 |
| • Estimated Extras Average Salary: | \$50/day |
| • Length of Film Production: | 32 days |
| • Estimated Spend: | \$390,100 |

Project Schedule

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|--------------------------|--|
| • Prep: | June 1, 2012 – July 19, 2012 (<i>Lone Wolf & Little Dragon</i>) August 15, 2012 – September 14, 2012 (<i>The Shadow Cabal</i>) |
| • Principal Photography: | July 20, 2012 – September 15, 2012 (<i>Lone Wolf & Little Dragon</i>) September 20, 2012 - October 14, 2012 (<i>The Shadow Cabal</i>) |
| • Wrap: | July 20, 2012 – November 1, 2012 (<i>Lone Wolf & Little Dragon</i>) October 15, 2012 – February 15, 2013 (<i>The Shadow Cabal</i>) |

Motion Picture Advisory Committee Recommendation
Approved by the Utah Film Commission June 5, 2012.

MOTION: Rob Adams moved to approve for Camera 40 Productions, LLC a \$58,600 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘Shadow Cabal’/‘Lone Wolf & Little Dragon’. Peter Mouskondis seconded the motion. The motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students

Sophia DiCaro, Deputy Director, congratulated the films and also the companies that are at the meeting to help build the film presence and also bringing jobs to our state. She gave an update on a report that the US Chamber reported on how the states across the county rank in business and growth development. Utah came in high on many of the categories including second in exports coming right behind Louisiana which is where 25% of America’s exports come from. The Governor’s Office of Economic Development was awarded a shovel award for Area Development which recognizes states for job creation.

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services, gave an update on the Incentives Program regarding new and existing projects.

Sophia DiCaro highlighted the PTAC program and explained what the program does. Fred Lange gave a brief update on what PTAC has accomplished this year. PTAC will have their 7th PTAC Procurement Symposium on October 23, 2012.

Todd Brightwell, Vice President of Business Development at EDCUtah, presented on the status of current and upcoming projects in the pipeline.

Gary Harter, Managing Director of Business Outreach and International Trade and Diplomacy spoke about the Associated Unmanned Vehicles Systems International (AUVSI) is a show that will occur in Las Vegas in August. The FAA along with AUVSI is putting out a proposal for 6 sites across the US to have test sites for unmanned vehicles. This builds on the cluster systems that also ties into Hill Air Force Base and Dugway, Utah is hoping to be one of the 6 testing sites.

SAMPE is the advanced composites trade-show; Utah has a booth at the show which took place in Baltimore. There are usually about 7,000 people that attend. This gives them the opportunity to visit with other companies that we would

like to build relationships with. SAMPE has now put Utah in their usual rotation so the show will come here in 2014 and also 2018.

Meeting adjourned.